<u>REMARKS</u>

The Office Action dated July 3, 2007, has been received and carefully noted.

The following remarks are submitted as a full and complete response thereto.

Claims 1-8 are pending and respectfully submitted for consideration.

Rejection Under 35 U.S.C. § 102

Claims 1-8 are rejected under 35 U.S.C. § 102(e) as being anticipated by Santos et al. (U.S. Patent Application Publication No. 2002/0143665 A1, "Santos"). The Applicants traverse the rejection and respectfully submit that claims 1-8 recite subject matter that is neither disclosed nor suggested by Santos.

Santos discloses a method of managing product end of life over an end of life horizon including the step of selecting an objective of either maximizing gross profit or minimizing writeoff costs for a selected plurality of products being discontinued. See the Abstract of Santos.

Claim 1 recites, in part, a product ordering system for supplying products from a production source to a plurality of dealers in response to orders requesting supply of the products comprising, *inter alia*, estimated sales quantity-setting means for setting in advance an estimated sales quantity of the products to be sold during a predetermined time period, for each of the dealers; and upper limit value-setting means for setting an upper limit value of an order quantity during the predetermined time period, for each of the dealers, according to the set estimated sales quantity and a predetermined coefficient.

The Applicants respectfully submit that Santos does not disclose or suggest the above features of the invention as recited in claim 1.

The Office Action cited paragraphs [0045], [0073] and [0080] of Santos for teaching the claimed features of the invention. Paragraph [0045] of Santos does not disclose or suggest estimated sales quantity-setting means or upper limit value-setting means. Paragraph [0045] of Santos merely discloses a shadow price for a resource measuring the marginal value of the resource with respect to the objective. The raw material shadow price indicates the marginal change to the objective function with respect to changes in the upper limit quantity for raw materials. There is no disclosure or suggestion of setting an upper limit value of an order quantity during the predetermined time period for each of the dealers according to the set estimated sales quantity and a predetermined coefficient.

Further, paragraph [0073] of Santos merely discloses that limit quantities greater than zero reflect an upper limit on the quantity that may be acquired for the corresponding part. However, the quantity that may be acquired is not with respect to a predetermined time period and it is not for dealers in response to their order requesting supply of products.

Paragraph [0080] of Santos merely discloses that a probability is associated with each demand level combination. Demand levels for each product may have a high, low and mean forecasted demand level. See also paragraph [0079] of Santos. The probability reflects the likelihood that the associated scenario or combination will be realized. However, this section of Santos also does not disclose or suggest the estimated sales quantity-setting means and upper limit value-setting means that set an estimated sales quantity or an upper limit value of an order quantity during a predetermined time period, as recited in claim 1.

In addition, the Applicants note that Santos is directed to a buy report that identifies the quantity 1030 of each raw material part 1010 that must be purchased or acquired in order to fulfill the recommended product sell quantities. See for example paragraph [0072] of Santos. The Applicants further submit that a buy report is not comparable to estimated sales quantity-setting means for setting in advance an estimated sales quantity of the products to be sold <u>during a predetermined time period</u>, for each of the dealers. In particular, there is no disclosure or suggestion of a predetermined time period or setting in advance an estimated sales quantity of products to be sold for each of the dealers in Santos. Santos merely discloses recommended product sell quantities. In view of the above, the Applicants respectfully submit that Santos does not disclose or suggest the features of the invention as recited in claim 1.

To qualify as prior art under 35 U.S.C. § 102, each and every feature recited in a rejected claim must be disclosed by the applied art. Accordingly, Santos does not anticipate claim 1, nor is claim 1 obvious in view of Santos. Therefore, the Applicants submit that claim 1 is allowable over Santos.

Conclusion

The Applicants respectfully submit that claim 1 is allowable. Claims 2-8 depend from claim 1. The Applicants respectfully submit that these claims incorporate the patentable aspects thereof, and are therefore allowable for at least the same reasons as discussed above. Accordingly, the Applicants respectfully request withdrawal of the rejection, allowance of claims 1-8 and the prompt issuance of a Notice of Allowability.

Should the Examiner believe anything further is desirable in order to place this application in better condition for allowance, the Examiner is requested to contact the

undersigned at the telephone number listed below.

In the event this paper is not considered to be timely filed, the Applicants respectfully petition for an appropriate extension of time. Any fees for such an extension, together with any additional fees that may be due with respect to this paper, may be charged to counsel's Deposit Account No. 01-2300, **referencing Attorney Dkt.**No. 108419-00065.

Respectfully submitted,

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